

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 3159 – SB 3604

March 15, 2010

SUMMARY OF AMENDMENT (015071): Deletes all language of the original bill. Adds language to the Prompt Pay Act of 1991 to provide that in the event the party withholding the retained funds fails to deposit such funds into an escrow account, such party shall be responsible for paying the owner of the retained funds an additional \$300 per day for each day that such funds are not deposited into an escrow account. Failure to deposit the retained funds into an escrow account within seven days' receipt of notice regarding such failure, is a Class A misdemeanor.

FISCAL IMPACT OF ORIGINAL BILL:

MINIMAL

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Revenue – Not Significant
Increase State Expenditures – Not Significant

Increase Local Revenue – Not Significant
Increase Local Expenditures – Not Significant

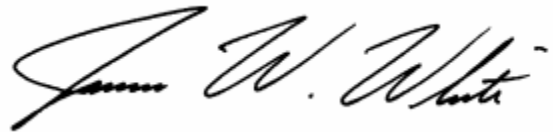
Assumptions applied to amendment:

- Any cost to state or local governmental entities due to the payment of fines for failure to deposit such funds into an escrow account is estimated to be not significant since this is anticipated to be a rare occurrence.
- The bill, as amended, is anticipated to impact private entities.

- There will not be a sufficient number of prosecutions for state or local government to experience any significant increase in revenue or expenditures.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a more compact, stylized manner, followed by "W." and "White".

James W. White, Executive Director

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